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SK ASSOCIATES, LTD

Specialists for Energy and Environment

7906 Takoma Avenue
Silver Spring, MD 20910

ASSESSMENT of the USEA

EASTERN AND CENTRAL EUROPEAN UTILITY PARTNERSHIP PROGRAM

FINAL DRAFT REPORT

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Stephen Klein,
SK Associates, LTD.

Assessment of the USEA
Eastern and Central European Utility Partnership Program
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Assessment of the USEA

Eastern and Central European Utility Partnership Program

submitted by Stephen Klein, SK Associates, LTD.

Executive Summary

This report provides an internal assessment of the Eastern and Central European Utility Partnership Program (UPP) currently being implemented through a Cooperative Agreement signed September 30, 1991 between the United States Energy Association (USEA) and US Agency for International Development (USAID) Europe Bureau.

Under the -Program, U.S. electric utilities establish sister relationships with companies in Central and Eastern European (CEE) countries to provide information on and encourage the adaption of U.S. management techniques for the technical, financial, and managerial aspects of electric utility operation. Ten countries are participating at present. U.S. utilities have signed Cooperation Agreements with seven of these countries. Three countries still lack U.S. Sister Utility partners.

The impetus to conduct this internal assessment of the UPP Program was contained in the September 29, 1993 Amendment to the Cooperative Agreement which extended and expanded the Program activities after the initial two years of operation. Anticipating the Program expansion, the report's purpose is to evaluate the current mission, goals, objectives, activities, and management (i) to determine strengths and weaknesses of the existing program; and (ii) to identify improvements which can be implemented to improve overall program effectiveness.

The report is organized around subject areas that have arisen in the planning and implementation of the UPP Program. It is based on review of Program documentation, responses to a questionnaire on the UPP program and subsequent discussions with US UPP participants, interviews with USEA staff, and responses contained in questionnaire's received from selected CEE utilities. The process did not include extended discussion or follow up with CEE partners.

The report contains sections detailing the Report's Purpose and Methodology, UPP Project Description and Purpose, Findings and Conclusions, and Recommendations (sixteen recommendations, including eleven addressing Program Issues, and five addressing UPP internal management and operational issues).

The work was carried out in January, February, and March 1994.

C

Assessment of the USEA

Eastern/Central European Utility Partnership Program

I. Introduction

This report provides an assessment of the USEA/USAID Central and Eastern Europe Utility Partnership Program (UPP). The report presents findings and conclusions about the design, management, implementation, and results of the UPP Program, and recommends consideration of actions to improve Program effectiveness.

This report has been prepared pursuant to an agreement between the United States Energy Association (USEA) and SK Associates, LTD. While USEA staff have been most helpful in providing inputs for this report, the author bears full responsibility for its preparation, and any conclusions and recommendations contained herein.

A. Report Purpose and Methodology

1. **Purpose** - The purpose of this report is to evaluate the current Central and Eastern European Utility Partnership Program current mission, goals, objectives, activities, and management (i) to determine strengths and weaknesses of the existing program; and (ii) to identify improvements which can be implemented to improve overall program effectiveness. See Appendix A for scope of work.

2. **Methodology** - The methodology for preparation of this report consisted of: background reading of project files; formulation of a questionnaire requesting comments from project implementors in the U.S. and Central and Eastern Europe (CEE) on key issues identified during the background reading and interviews; discussions with USEA staff and consultants who have been involved with the program; and personal interviews with most U.S. Utility Partners, either through visits to home offices or by telephone. See Appendix B, C, and D, for persons contacted, the questionnaire, and reference documents.

The report is organized around subject areas that have arisen in the planning and implementation of the Program and included in the questionnaire, or raised separately in discussions with principals. Responses to the questionnaire contributed importantly to analysis of problem areas, arriving at conclusions, and formulating recommendations. However, the report does not include a summary of the responses because of the qualitative nature of the information.

The report is not a program audit, nor was there an intensive review of internal operating procedures. Although a few responses were received to the questionnaire from CEE participants, the report is limited by absence of interaction with these partners.

The work was carried out in January, February, and March 1994.

B. UPP Project Description and Purpose

USEA is implementing the UPP Program under a Cooperative Agreement with USAID's Europe Bureau signed September 30, 1991, and amended September 29, 1993 to extend and expand the Program with additional activities. The expected total life of project funding is \$22,604,621, of which AID funding would total \$17,380,320, and USEA and partner contributions would total \$5,224,301. Including the last amendment that was signed February 25, 1994, AID has obligated \$12,385,241 to date for the UPP Program. The project completion date is June 14, 1997.

The project's mission is "to provide a mechanism which enables the experience of U.S. electric utilities to be transferred to Central and Eastern European utilities, thereby helping address institutional issues including free-market managerial challenges and technical, financial, economic, regulatory, and environmental issues".

Under the Program, U.S. electric utilities establish sister relationships with companies in Central and Eastern European (CEE) countries to provide information on and encourage the adaption of U.S. management techniques for the technical, financial, and managerial aspects of electric utility operation. Ten countries are participating at present. U.S. utilities have signed Cooperation Agreements with seven of these countries. Three countries -- Estonia, Lithuania, and The Former Yugoslav Republic of Macedonia -- still lack U.S. Sister Utility partners.

The CEE utilities and their US partners are:

<u>CEE Utility</u>	<u>U.S. Utility</u>
National Elec. Co. (Bulgaria)	Central Maine Power
Czech Power Works (Czech Republic)	Houston Lighting and Power
Estonia	--
Hungarian Electricity Bd. (Hungary)	New England Electric Co.
Latvenergo (Latvia)	Central Vermont
Lithuania	--
The Former Yugoslav	--
Republic of Macedonia	--
Polish Power Grid Co. (Poland)	Commonwealth Edison
RENEL (Romania)	Boston Edison Company
Slovak Power (Slovak Republic)	Southern Electric Int.

To complement the contributions of the individual U.S. utilities, USEA also works cooperatively with other members of the U.S. electric industry in facilitating the UPP Program, principally the Edison Electric Institute (EEI), the Electric Power Research Institute (EPRI), the North American Electric Reliability Council (NERC), and the American Public Power Association (APPA).

The objectives of the program are:

- o Develop the institutions and structure to facilitate the transfer of management and technical skills, technologies and expertise in energy resource development, production and utilization from the United States to Central and Eastern European utilities;
- o Determine the interest and most urgent issues confronting the Central and Eastern European electric utilities and provide assistance with their resolution;
- o Identify U.S. and Central and Eastern European utilities interested in participating in the Utility Partnership Program and develop effective working relationships with them;
- o Encourage and coordinate the exchange of personnel from the U.S. and Central and Eastern utilities (for short time frames and through internship programs) so participants may share industry experience and improve their capability for resolving complex energy issues;
- o Develop a series of extended regional seminars addressing the most urgent regional energy issues and common interest of Central and Eastern European utilities, including regulatory, reliability, and environmental issues;
- o Develop an infrastructure and model for increasing the depth and quality of utility partnership initiatives, including: personnel exchanges, seminars, training, internships, and other educational and on-the-job training opportunities;
- o Monitor and evaluate program effectiveness and use feedback from participants to revise and improve overall program effectiveness and efficiency.

Under the original Cooperative Agreement, the UPP Program provided financing for direct costs for travel, per diem, fees for conferences, communications, consultants, and supporting materials. Under the amended Cooperative Agreement extending and expanding the

Program, the UPP Program will also finance specially designed training modules, a loaned executive program, and tuition and fees for regional and executive development programs. Participating organizations cost-share in the Program through contributions of the time of their executive, professional, and support staff.

The following are activities conducted under the Program:

- o Management and Technical Advisory Missions
- o Executive Exchanges
- o Workshops and Specific Topical Seminars
- o Information Dissemination Activities, including
Conferences and Symposiums, Reports, Publications,
Software
- o Internships
- o Regional Programs, including
 - Environmental Issues
 - Regulatory Issues
 - System Reliability Issues
- o Utility Management Development Programs

II. Findings and Conclusions

A. Project Design Challenges

The success of the UPP program depends crucially on the willingness and capacity of the U.S. Sister Utilities to cost share (contribute pro bono) the provision of their services to achieve the UPP mission and objectives. The Collaborative Agreement finances the direct operating and support costs of the Program, yet these can only complement the U.S. Utilities as the principal delivery mechanism for introducing improved management techniques.

This structure presents a challenge and an opportunity for the UPP Program. Because the UPP Program relies upon the good faith efforts of the utilities to accomplish the program objectives, USEA's challenge is to facilitate the necessary activities to support U.S. utility participation. The opportunity is to involve the considerable expertise of the U.S. electric utility industry in a long term sustainable relationship in support of modernizing the utilities of Central and Eastern Europe.

Implementation of the UPP is further complicated by the uncertain congruence among the interests of the major participants. Each participant has a sphere of interest; USAID and its assistance interests; USEA, and its member interests as well as its role as the U.S. member representative of the World Energy Council (WEC); the U.S. utilities, whose interests in the Program are mentioned below; and the CEE utilities who face a formidable task to improve their electricity delivery systems. Continuing to find the common overlap among these various interests will shape the success of Program implementation.

B. Program Issues

1. Program Parameters

Ability of U.S. Utility Partners to Satisfy CEE Partner Requests

U.S. Utility partners have expressed considerable enthusiasm for the Program, and are proud of the success of the Program to date. At a general level, the U.S. utilities have expressed a range of objectives for participating that appear to be satisfied: broadening the perspectives of their staff and their utility to encompass a more global horizon; establishing a reputation and creating networks in the field in the U.S. and overseas; contributing to the U.S. foreign policy goal of movement towards democracy and economic growth in Central and Eastern Europe; and creating working relationships that may eventually lead to business opportunities for the utilities.

During the first two years of operation, the Program has developed remarkably effective partnerships; establishing trust, creating credibility, demonstrating responsiveness to CEE utility interests, and introducing ideas and practices that comprise the foundation for electric utility operation in the U.S.

The initial advisory and management missions, executive exchanges, and focused seminars have been singled out as contributing significantly to the positive atmosphere that surrounds the Program. In addition, UPP funding for extensive participation in U.S. industry conferences and well-designed study tours have opened up horizons and encouraged relationships that characterize a true partnership. Virtually all U.S. utilities have cited instances where they were asked by their partners to comment or provide advice on business activities and decisions, which the CEE utilities said they could not expect to obtain from private consulting firms.

The initial success of the Program, however, may also create unrealistic expectations that could be difficult to fulfill over the long term life of the Program. This problem could arise because the CEE partners -- as they develop trust in their U.S. partners -- are likely to ask for in-depth advice and assistance to implement the ideas and approaches to which they have been introduced in seminars, workshops, exchanges, and conferences. Two reasons explain this likely movement: (i) the U.S. utilities are providing competent advice which responds to CEE concerns and problems; and (ii) the support from U.S. utilities is available at no cost to the CEE utility.

But the US partners -- committed to the UPP Program on a pro bono basis to target a management level interaction with a limited financial exposure -- find themselves constrained in their ability to respond to the increasing number of requests from their CEE Partners for in-depth help. Unless additional funds are available to help defray costs, the expanding number and scope of these requests will not be fully satisfied.

The UPP Program should consider how these competing interests can be effectively balanced. The Program -- dependent on the pro bono contributions of the U.S. utilities -- was not designed to respond to these growing CEE utility requests, which involve support beyond the initial understandings. The UPP Program should not be expected to finance programs addressing the full range of these important CEE utility needs, although the UPP might help facilitate financing through outreach efforts with international assistance agencies, and coordination with other AID-financed Programs.

Program Implications of Evolving Priorities

The first two years have been capped by the universally praised planning meeting held in Budapest in November, 1993, at which all of the principals of the Program were present. At that meeting, utility partners agreed upon a set of fourteen focus areas, and among these areas selected priority concerns for attention in each of the country partnerships. These priorities should, and are now providing the centerpiece for work plan formulation -- also discussed at Budapest -- for the future activities of the UPP in each country. Concentrating on these priorities will also provide workable boundaries for the range of UPP activities which the U.S. partners can support within the original program formulation.

The Program expansion to add the regional and executive development program, and the loaned executive concept permit the UPP Program to concentrate on selected priority areas of CEE utility operations to demonstrate concrete results from UPP activities. To achieve this end, the UPP Program should focus on narrow objectives, but maximize the flexibility in setting up the new Program procedures.

As the Budapest meeting priorities increasingly shape future program directions, a fresh review is required of the value and numbers of trips by CEE participants to US industry conferences. For the most part, implementation of this component of the Program has been carried out almost independently from the Sister Utility relationship. The selection procedure has been handled directly by the USEA UPP staff, which has requested the CEE partner representative to nominate 1-4 people to attend a U.S. meeting. The U.S. utilities and the USAID representatives in the country have been involved only peripherally, if at all, even though they could provide valuable inputs into the role and capacities of the proposed participants. The financial resources devoted to U.S. industry conferences are sizable, some of which may be available for reallocation if the approach to U.S. conference travel is revised.

2. Sister Utilities

The UPP Program has fostered Sister Utility relationships in seven countries. See Appendix E for list of Memorandums of Understanding and Cooperation Agreements that have been signed to date. As of this date, three country participants lack partners. It will require a concerted effort and may take substantial time to enlist partners for these countries, which receive less visibility in the U.S. than other CEE countries.

In countries where partners are operating, there may also be an opportunity to expand the base of U.S. utility participation beyond the sole U.S. Sister Utility. Two reasons suggest this as a useful course: (i) additional involvement from U.S. utilities will spread the cost burden of responding to the requests of the CEE utilities; and (ii) additional participation will expand the pool of US utilities familiar with the program.

If the Program moves to expand participation in this way, the UPP Program will need to assure close coordination with the U.S. Sister Utility before expanding contacts with the CEE partner to avoid confusion in communications and programming between the current partners.

The UPP Program may also find it useful to reinforce with CEE partners types of activities that are eligible for financing, and activities that are unlikely to be financed. Several U.S. utility partners suggested that a written document covering these points might help them in discussions with the CEE utilities.

3. Planning

In the first two years of Program implementation, emphasis was placed on moving the activities forward as part of creating relationships and trust among the partners. The Budapest meeting in November 1993 marked a much more intensified effort at planning the program directions and setting priorities, which is now effectively shaping Program directions.

UPP Steering Committee

The UPP Steering Committee provides a forum in which all parties can interact together to help coordinate the various elements of the Program. It has worked reasonably well, though its value depends on participants bringing relevant information to the table. As evidenced by the success of the Budapest meeting, the Steering Committee is moving towards more involvement with the longer term planning issues, a direction that should be endorsed.

Cross-Fertilization

With the evolution of program priorities into the fourteen areas, focused seminars on the same subject are likely to be conducted in several countries over the project life. In the past, some of these seminars have been conducted individually without a systematic effort to cross-fertilize the work that may have already been done in another country. The UPP Program should continue the current movement toward organizing a UPP package of materials that could ease the workload and increase the cross-fertilization in presenting the seminars. Cooperation among different partner utilities should also be explored.

Annual Meetings and Work Plan Preparation

The Budapest meeting set an excellent precedent for annual meetings to review program progress, select or revise priority issues, support program continuity, and shape the selection of future activities. Holding future meetings in the U.S. as well as CEE countries should be considered, because there may be exposure possibilities for the Program that can be better capitalized upon in the U.S.

The Budapest meeting provided an excellent starting point for preparations of inputs into the Annual Work Plan, which, per the Cooperative Agreement, is due for submission to AID by September 30. Meetings such as held in Budapest in November, 1993 and already scheduled for September, 1994, do not permit enough time for development and revision of the Work Plans before the due date. Starting in 1995, consideration should be given to holding these meetings in May or June to get a head start on Work Plan formulation and permit time for refinement before submission.

Oversight Committee

The USEA Oversight Committee was established to evaluate, monitor, and approve, subject to ratification by the USEA Executive Committee, the entering into and implementation of USEA Cooperative Agreements with the US Government. Given the non-congruent interests of USEA's broad-based energy industry membership, this Committee helps USEA consider its long term interests in the UPP implementation. Advance planning is important in considering the linkages between the UPP Program, and USEA's role in representing the U.S. in the WEC, especially in light of USEA's hosting of the 1998 WEC meeting in Houston.

Strategic Planning

Strategic planning for the UPP Program -- an area which should receive more emphasis -- should also cover how the Program can build on the trust and relationships that have been established. One possibility might be for USEA to set up a Standing Committee or Association between U.S. and CEE electric utility industries to provide continuity for the partnerships after expiration of the UPP Cooperative Agreement, or after some CEE utilities have graduated from the Program.

Another aspect of strategic planning is financing for in-depth technical assistance as part of international assistance programs such as the World Bank, or EBRD. The UPP Program might consider actions it could take to facilitate involvement by partners to help implement some of this assistance.

4. Monitoring and Evaluation

The effectiveness of the UPP Program will be determined by changes in management practices adopted by the CEE utilities. It is likely that these changes will take place slowly over time, and it will be very difficult to quantify changes that are direct attributable to the activities initiated under the UPP. As a result, the nature of evaluation will be much more qualitative than quantitative.

USEA has the core responsibility for setting up the evaluation criteria that will be used for each of the country programs. This criteria must be tailored to the special aspects of particular programs carried out by the U.S. and CEE utilities, yet with sufficient common themes running throughout to provide a basis for giving feedback on the operations of the UPP Program as a whole.

AID will also undertake an external evaluation of the UPP Program as part of normal monitoring of its projects. The evaluation criteria that AID will use focuses on results of the UPP program rather than the number of conferences attended, seminars held, or people involved.

There is a shared recognition that the UPP program has been successful based on a number of anecdotal stories which surfaced during this assessment. The core of the success can be documented from the qualitative impact of the trust and effective working relationships that have been established among the partners. The U.S. utility partners recount that they are continually being consulted on key issues affecting the basic operations of their CEE partner utilities. The Budapest Planning meeting also reinforced the positive feelings.

Specific successful results from the UPP include: the effective working relationship between Houston Lighting & Power and their Czech Sister Utility leading to the selection of Chemical Bank in New York as the Czech utility's international financial institution; Hungarian establishment of a Public Information and Education Center in Budapest; Latvenergo's establishing a customer service office in Riga; the power plant operation seminar in Poland, installation of a least cost planning model in the Bulgarian system. In addition, UPP has just been notified of its receipt of a National Energy Resources Organization "Public Education" Award.

At present, the UPP Program does not have an individual assigned to the task of evaluation, to collect and disseminate information collected from the partner utilities, or to publicize successful program results. Someone assigned to this task as part of a more systematic information system would help document successful UPP program activities, and broaden the awareness of the impact of the USEA and AID efforts.

C. UPP Internal Management and Operations

1. Internal Management

USEA has dramatically expanded its level of activities and the total number of UPP staff in the past two years. The UPP Program was therefore preoccupied during this time with hiring and training staff, seeking out U.S. Utility and CEE partners, setting up and conducting individual activities, developing internal procedures, and establishing guidelines for participants. The systems are just now beginning to be institutionalized. The Program is now entering a second generation of activities with the increased focus on priority areas agreed upon in Budapest.

Specific areas for increased management attention include: (i) attracting additional U.S. utility partners for the three countries which still seek partners, and to enlarge participation in other countries; (ii) strengthening strategic and internal planning capability for the UPP Program; (iii) assuring successful cross fertilization among the focus areas across different country programs; (iv) taking charge of a more aggressive evaluation and feedback program; and (v) supporting the search for financial options for implementation of in-depth activities outside the aegis of AID (although this activity is not included in the Cooperative Agreement).

The UPP Program has directly available the expertise of only two individuals with senior level experience in the electric utility industry who could respond to these tasks, the Program Manager, and the Director of Government Operations. However, the management attention of the Program Manager, who has responsibility to address substantive operational issues in program implementation, is severely stretched by the extensive level of UPP Program implementation. The Director of Government Operations might help address the deficiency, but could not be expected to fill the gap.

The UPP has recently undertaken a review of the role of consultants in Program implementation, a necessary and timely process. Consultants have filled critical supplementary roles during the understaffed start-up years. The UPP Program should now decide how much of this capability should be sustainable on its own staff, and which workloads are best suited for consultant contracting.

2. Operations

a. Logistics and Communications

UPP has made vast strides in the past six months in becoming more responsive to the utility needs, after a very rocky start which caused dissatisfaction among the participants. The UPP management appears to have made sound management decisions that have paid off during the year: internal organizational changes to assign clear responsibility to country coordinators; and assigning separate responsibility for processing requests for reimbursements. UPP Program management must continue to assign high priority to this task, because successful logistic support is at the heart of the UPP Program, including rapid reimbursement, travel and per diem arrangements, and translation and interpretation services.

b. AID Interaction and Procedures

The use of funds provided under the Cooperative Agreement is subject to AID rules and procedures, which provide some constraints

and limits to participants in the Program. During the first two years of the program, UPP helped sponsor a growing understanding of the policies for UPP Program expenditures, though some confusion arises from time to time. It should continue to furnish information on these procedures on a regular basis, and especially in the start-up of new programs such as the Executive development Program, and the regional seminars.

An important issue confronting the utilities is availability of funding to pursue in-depth development of subjects which have been introduced as part of the advisory mission, executive exchanges, and focused seminars. The U.S. partners would welcome the opportunity to pursue these subjects, if they had increased flexibility to finance their costs under the UPP program, or a corollary activity. The new regional and executive development programs and extensive use of the loaned executive program may provide some solutions and should be explored. This subject poses some knotty problems which will not be easy to resolve, though a satisfactory answer will pay large dividends in the transfer of U.S. management practices to their CEE partners over the long term.

III. Recommendations

Recommendations to improve the conduct of the UPP program are divided into two sections set forth below: program issues, which address the substantive content of the program; and UPP internal management and operational issues, which are concerned with how the USEA has organized and conducts the UPP Program.

A. Program Issues

1. Program Parameters

- o The UPP Program should set limits on its program activities to those concentrating on achieving the broad management objectives set forth in the project mission statement.

The UPP program will have difficulty documenting progress by the CEE utilities in adopting the thinking, procedures, and practices that are at the core of UPP Program objective. Yet, the thrust of each of the various individual activities must be driven by the consideration that the activity will move the utilities along the path towards a modern market oriented delivery of utility services. The UPP should constantly test its program decisions to assure they help in attaining the long term project goal.

The UPP Program should build upon the considerable success during the first two years in introducing US style management approaches, and establishing effective on-going relationships and interactions with top management of the CEE utilities. Accepting this recommendation carries with it important implications for program implementation.

- The UPP program should periodically revisit with senior CEE management the underlying program objectives as part of yearly management advisory missions. In addition, the UPP program should assure repeat visits to the US by key senior management in conjunction with executive exchanges and carefully selected seminars and workshops.
- The UPP program should pay close attention to the activities financed to assure it follows its parameters for government-funded activity (see Appendix F) and avoids becoming immersed in implementing technical assistance. The UPP program is an excellent mechanism for introducing subject areas to the CEE utilities through advisory missions, executive exchanges, focused seminars, and information dissemination at conferences and workshops. However, the US sister utilities are likely to be hard-pressed to deliver the in-depth follow-up under the pro bono structure underlying their participation. Parallel or complementary funding mechanisms outside the UPP Collaborative Agreement are needed to deliver these needed services (e.g. the AID Utility Consultancy Program, co-operation with consultants, international financing).
 - o The UPP Program and AID should apply a more rigorous selection of future activities consistent with the agreed priorities enunciated during the Budapest Strategic Planning meeting in November, 1993.

The Budapest meeting established an important set of priorities for the program, which reflects both inputs from the Partner Utilities, and the benefits of experience over the two years of operation of the program. These priorities should become core themes for determining the activities that will be undertaken in the future.

There should be an internal consistency among the program areas (management and technical advisory missions, executive exchanges, workshops and specific topical seminars, information dissemination activities, internship programs, regional training and in-depth utility management training). The UPP management should make a special effort to test how the internal conduct of each of these activities implemented on a yearly basis links to the broader program goal. The biggest risk of a non-consistent approach to implementing these activities is that the UPP program may end up having financed a broad cross-section of activities that add up to less than the sum of the parts.

- o The UPP Program should review and strengthen the internal discipline for selection of participants for U.S. travel.

Selection of participants should also become a much more disciplined process to assure internal consistency between the individuals involved, the priority identified for focus within the country program, and the expected follow-up role of participants in specific areas. During the start-up period, involving the key management level personnel from CEE utilities was the driving rationale for the activities, and contributed to the short term success of the program. Now, it is time for the process and the targets to evolve to a more focused effort, especially for attendance at U.S. industry conferences (see section below). In the same vein, UPP should also target the emerging executive development program to clearly defined priorities in each country.

- o The UPP Program should reconsider the budget allocations among the program activities.

USEA and AID should rethink the purpose and procedures for participation in US association meetings and general industry conferences. The relative value of these meetings was questioned by several during this study, certainly in comparison with advisory missions and focused seminars, which were commonly agreed to be among the most effective delivery mechanisms. Wide-scale attendance by CEE executives at U.S. meetings during the initial years helped to provide exposure to US utility executives and management approaches, and significantly enhanced the building of relationships, trust, and responsiveness which marked the UPP program during its first two years. However, the primary benefits from attendance at general US management conferences have already largely been received -- most key senior people have already participated -- and repeat visitors or less attractive candidates are now the primary beneficiaries of these visits.

Trips to US conferences are expensive; as much as \$3,500 per person for participation of up to 30-40 CEE executives, making this a very important draw on UPP Program expenditures, even though it is considered among the most questionable activities. On the other hand, attendance at U.S. conferences, especially for specialized subjects such as demand side management and environmental issues, does provide the UPP with flexibility to address sensitive issues, which the CEE utilities might not make a high priority but which are important components of AID's assistance efforts. In addition, UPP can -- and does -- capitalize on dual aspects of a trip when joined with study tours, or executive exchanges.

Given these questions, the UPP Program should undertake an in-depth review of the planning process and allocations for these trips, and consider whether some reprogramming of funds is desirable to more productive categories. The importance of revisiting the UPP budget allocations is underscored by the forthcoming implementation of the Executive Development component of the project which was added to the project in the September, 1993 amendment. The UPP staff is now considering creative approaches to this component, which can be a powerful reinforcement for the primary management changes the UPP is seeking, and which might benefit from additional funding.

2. Sister Utilities

- o The USEA UPP program should undertake a concerted effort to expand US Sister Utility participation.

The USEA UPP should establish a No. 1 priority to identify and sign agreements with Sister Utilities for the three countries not yet covered. In addition, the UPP should broaden the base of U.S. Utilities working under the Program, subject to discussion and support of the US and CEE utilities in particular countries.

Strengthening US utility participation also provides the UPP Program with a base which it can tap, if for whatever reason some of the current partners might decide for their own internal reasons to discontinue their participation in the Program. In addition, the Memorandums of Understanding have no specified duration -- though informally the US Sister Utilities have committed for a three year period -- and also contain a 30 day notice provision for withdrawal from the program. Five of the US partners signed agreements in 1992, which will engender an intensive review of extensions for the on-going programs. The UPP should actively pursue existing partners to request continuation of their involvement.

Implementing this recommendation will require the USEA UPP program to identify and assign direct responsibility to staff with sufficient stature and knowledge of the electric utility business to attract new US Sister Utility partners.

- o USEA and AID should clarify to the US and CEE Sister Utilities the parameters of the program, including activities that are unlikely to be financed under the UPP program.

Confusion has arisen in the initial years of the program over the extent of activities eligible for financing under the program.

This confusion has existed with the CEE Sister Utilities who have had their appetites whetted by the successful activities of their US partners, and the subsequent requests for intensified activities. On the US side, the Sister Utilities have been frustrated at the creation of demand for their help which they are unable to fulfill because such support is outside of the program parameters of the Cooperative Agreement. The UPP Program and the utility partners should clarify the scope and boundaries of the UPP Program, including those activities unlikely to be financed, and provide information for satisfying the expectations and requirements that have been identified.

3. Planning

- o USEA should undertake a more systematic effort at long term planning for UPP activities over the project life.

The UPP Program should take advantage of the many opportunities for applying more systematic planning, including better use of the UPP Steering Committee, cross-fertilization among programs, timing for work plan preparation, and annual meetings.

UPP Steering Committee - USEA should continue to use the quarterly UPP Steering Committee meetings as a mechanism to exchange information with US utility partners and work through policy directions as well as contentious issues. Items needing discussion with the Steering Committee should be articulated and circulated well in advance of the meeting. Attention of the Steering Committee should remain at planning for the operational level, where it can resolve operational problems.

Cross-Fertilization - The UPP should consider options for cross-fertilization across country programs as the focus areas identified at the Budapest meeting become the subject of frequent seminars and conferences. The addition of the regional component also reinforces the desirability of greater sharing of information across country programs. One option might be to establish subject area teams, with a U.S. utility undertaking a lead role in preparing the materials, joined by representatives of other utilities who have the same priority activity on their schedule.

Work Plan Scheduling - The Cooperative Agreement calls for submission of the Annual Work Plan by September 30. To meet this date, the UPP should start preparation of the Work Plan by late Spring, and organize a meeting among US and CEE Sister Utilities by June to allow the summer for refinements. The 1994 meeting is already planned, but the 1995 meeting could be the first at an earlier calendar year date, per suggestion below.

Annual Meetings - The UPP Program should consider a meeting in the US, in May or June 1995. This meeting would combine an annual review of the program, set out the broad lines for the Annual Work Plan for FY 96, and assess how well the program is progressing in meeting the broad program goals. A US-based meeting in 1995 could produce the following benefits:

- (i) underscore the partnership dimensions of the UPP program by having a major meeting in the US for the key sister utility actors after conducting previous meetings (1993 and 1994) in Eastern Europe;
 - (ii) reinforce the exposure of sister utility leaders from Central and Eastern Europe to US utility practices and approaches after they have had a few years of direct experience with the UPP program, and could assess firsthand at their US sister utility and other parts of the US how well specific recommendations and actions had stood the test of time;
 - (iii) provide UPP with the opportunity to showcase the progress of the UPP program with the US officials responsible for AID programs, and others interested in US programs in Central and Eastern Europe, including the Executive branch, US NGO community, and the World Bank;
 - (iv) support and highlight USEA's role and function as the US Member Committee of the WEC; and
 - (v) provide USEA members with exposure to market opportunities with the Eastern European Utilities who would like to pursue possible purchases of US equipment.
- o The UPP should initiate internal and strategic planning for discussion and ultimate ratification by USEA's Executive Committee.

The UPP Program, in cooperation with its US utility partners, should encourage programs, actions, and contacts now that will establish long term sustainable relationships after conclusion of the AID Cooperative Agreement assistance. This objective is mentioned in the FY 94 Work Plan, but the UPP should make a greater effort to identify specific actions in the future. In addition, the UPP should identify activities that will also complement USEA's WEC role.

The UPP Program should encourage strategic planning and propose actions for review and approval by the Oversight Committee and ultimate Executive Committee ratification as the UPP Program moves beyond start-up issues in which it has been primarily involved. Some thoughts that might be considered include:

- Evolution of the Utility Partnership Program Steering Committee into a USEA-sponsored WEC/Eastern and Central Europe high level Utility Advisory Committee;
 - Strategic decisions for undertaking an outreach effort to broaden the base of US utility participation in the UPP Program;
 - Active efforts to involve US industry in activities that could strengthen their contacts with CEE program participants;
 - Publicity and a concerted public relations effort which would highlight USEA's role in conducting the UPP Program;
 - Mutually reinforcing activities between the UPP program and World Energy Council activities pursued by USEA as the US Member Committee representative, such as advance planning for the WEC meeting in the US;
 - Strengthened USEA/UPP relationships with parts of the US Government other than AID, taking advantage of initiatives such as clean coal activities, export promotion actions, and evolution of the Energy Industry Partnership Program;
 - Outreach programs to provide bridges to the World Bank and other multilateral programs that may provide continued financing;
 - Encouragement of person-to-person contacts;
 - Increased CEE utility cost sharing;
 - UPP actions that encourage sustained participation by US sister utilities with their CEE counterparts well after the conclusion of direct AID support.
- o The UPP Program should actively promote liaison between Sister Utilities and international sources of financing.

The UPP Program is but one actor in the assistance arena for the CEE utilities. The World Bank and the EBRD -- with which AID maintains active contact -- are the major international public sector sources of financing, and often include management support

in their assistance packages. However, the draft Annual Work Plan for FY 94 -- while discussing cooperation/linkage with other USEA programs -- does not even mention these other international programs, nor do the seven activity descriptions detailing the UPP program contain any explicit references. Encouraging and facilitating participation by UPP utilities should be an explicit and deliberately pursued operational strategy, especially in conjunction with multilateral financing.

4. Evaluation

- o The UPP Program should set out the criteria for evaluating the results of the Program, and assign responsibility within the staff for follow-up.

The general impression, strengthened by positive comments from participants and US Government personnel is that the UPP program has been successfully launched. Large numbers of personnel from the CEE utilities have been exposed to U.S. practices, and have visited conferences, utilities, and other parts of the U.S. industry. Increasingly, CEE partners understand the purpose and the language of the U.S. approach to delivery of electricity.

Whether the UPP effort ultimately is justified depends on the CEE utility decisions to put into practice in their own operations what they have learned in the UPP Program. Making this judgment in turn depends on establishing an effective criteria against which to assess progress. AID will carry out an external evaluation of the UPP Program during the course of implementation, and the UPP should clearly set out how this judgment will be made.

Therefore, the UPP should strengthen the evaluation system that is used in each of the country programs. Responsibility should be assigned to a UPP staff member, who will refine the criteria, assure that systems are in place to carry out ongoing evaluations, interact with utility partners to collect the information that is produced, and prepare evaluation information for USEA management and participants.

- o UPP and AID should undertake a systematic effort to document successful results from the Program.

The UPP Program should organize the many anecdotes of success in each country to establish basic information on the Program results. This information should be used in turn to test and publicize the program's impact. The staff person assigned to the evaluation task should take responsibility for this effort through an active outreach program with the US and CEE partner utilities.

The loaned executive program might also be tapped to support the evaluation and documentation efforts through designation of an individual in each U.S. Sister Utilities to work with both the CEE partners and UPP staff to evaluate and document UPP Program results. This would enhance the time available to support these efforts while directly involving the entities most closely associated with the activities.

B. UPP Internal Management and Operations

1. Internal Management

- o The UPP should expand professional staff to support the achievement of program objectives.

UPP should employ at least one additional senior professional experienced in the electric utility business to complement the energetic but still learning UPP staff. There are a broad range of important tasks (see section II. C.1., Page 11) which are beyond the physical capabilities of the Program Manager to handle, but which must be addressed, or leave a deficiency in Program implementation.

- o The UPP should carefully define the role of external consultants in the conduct of the program.

Consultants played an important role in shaping the start-up period for the Program at a time when UPP staff was still being recruited. The UPP Program has recently initiated a review of the consultant's roles, a timely process in light the emerging priorities from Budapest, the second generation activities, and the long term planning activities now on the Program's agenda. In determining the role of consultants -- which can be a valuable complement to UPP staff -- careful consideration should be given to the functions appropriate for contracting, in contrast to those such as mentioned in the Internal Management section above that preferably would be handled by UPP staff.

2. Operations

- o The UPP Program should assure that its staff gives continued priority to supporting the Partner Utilities in their activities.

The preeminent role of the U.S. utilities as the primary delivery mechanism for management advice to the CEE partners dictates that the UPP staff must keep support for these utilities paramount among its activities. As new priorities develop with Program experience, the staff will adjust to manage these new directions. But such adjustment can not be at the expense of the utility support function of the UPP staff. These day-to-day activities -- rapid reimbursement of utility expenses, facilitating communications among program participants, travel and logistics arrangements, providing necessary funds when they are needed, assuring interpreters and translation of needed materials -- are at the core of successful program operation, and must be done on time and well.

- o The UPP program should begin now to prepare for an external evaluation.

AID procedures call for external evaluations of projects to assure that the projects are moving toward achieving the stated goals. The UPP program should initiate a process now to prepare itself for this activity, especially concentrating on actual UPP Program results that can be attributed to the AID-financed activities. Designating responsibility to someone on the UPP staff is one major step in solidifying UPP's evaluation process. In addition, UPP should identify the most important information that must be collected to assess the impact of its Programs.

The impression of both UPP and AID staff is that the UPP Program has been very successful, one of the rationales for expanding the Program and increasing the funding under the Amendments. This judgment appears to be more based on intuition and qualitative feedback than quantitative data, which after only two years of operation is to be expected. But the UPP should reinforce to the maximum extent possible the use of quantifiable indicators for future evaluation -- as called for by AID in its procedures -- to increase the internal discipline of the process.

USEA has regularly used external auditors to review its financial procedures to assure that Cooperative Agreement requirements are in order and smoothly functioning, the right accounts charged for expenses, and that AID rules for expenses are being followed. This effort should continue.

- o All participants should be made aware of AID interactions and procedures which apply to UPP Program implementation

The conditions of the Cooperative Agreement govern the use of funds made available for the UPP Program. Therefore, all participants must be aware of the rules that will apply if U.S. Government funds are being used, even though these practices may differ from those of the partner utilities. Participants have gained experience over the past two years with AID rules and procedures, and problems have eased with the passage of time. Nonetheless, the UPP Program should be continually vigilant in assuring that everyone is aware of the ground rules governing use of the funds.

SK:31March94

Evaluation of USEA

Eastern/Central European Utility Partnership Program

Purpose: Evaluate the current Eastern/Central European Utility Partnership Program (UPP) current mission, goals, objectives, activities, and management (i) to determine strengths and weaknesses of the existing program; and (ii) to identify improvements which can be implemented to improve overall program effectiveness.

Tasks:

- o Development of a plan of action for the review of the UPP
- o Preparation of a questionnaire for feedback from UPP partners
- o Preparation of draft report detailing strengths and weaknesses, and areas of improvement based on results of questionnaire and discussions with US partners
- o Preparation of final report

Deliverables:

- o Draft Plan of Action and Questionnaire
- o Draft report
- o Final report

Approach to Implementation:

Plan of Action

The work will be carried out in two stages. The first stage will concentrate on preparation of a questionnaire for review with the UPP partners (Utilities, USEA, EET, NERC, EPRI) identifying the key questions to be addressed in the evaluation. In the second stage, a draft report will be prepared setting forth the findings based on feedback to the questionnaire from the partners. Face to face discussions might also be set up with the US UPP partners depending on the responses to the questionnaire. A draft final report will be submitted to USEA and thereafter to AID, coupled with briefings. Comments received will be incorporated into the final product.

The following describes the major steps to carry out the evaluation.

- o Read Background Material , e.g. original AID project documents to extent available, contract and amendments, annual work plan, interim and final reports, seminar and conference proceedings
- o Meet with USEA and AID program managers and principals
- o Develop questionnaire for review by UPP partners
- o Coordinate with USEA to inform US utility partners of evaluation, transmit questionnaire to UPP partners, and schedule feedback to discuss progress, activities, accomplishments, problems
- o Prepare draft report
- o Incorporate comments and present final report and final briefings

Data Collection and Analysis Techniques

A carefully developed questionnaire will provide essential information for the preparation of the evaluation. The approach will also require a review of the background material, and might also include subsequent sets of interviews based on the questionnaire. The report will cover identification of strengths, weaknesses, and possible improvements to the UPP.

Debriefings

Three debriefings are anticipated, if requested: (i) presentation of draft report to USEA; (ii) presentation of draft report to USEA and AID; and (iii) presentation of final report with findings and conclusions.

Report

The final report will provide USEA with a detailed response to the challenge laid out in the purpose of the proposal.

Based on responses to the questionnaire and possible discussions with the US UPP partners, the report will address:

Programmatic Issues

- o What are the major problem areas?
- o What are the areas in the program that have worked best?
- o What are suggested improvements in the program?

- o Are the selected programs the best choice to achieve the goals of the program?
- o What has been the relative value of the program to the UPP partners?
- o What is the Eastern European partner's assessment of the program? Are the activities of highest priority to them, or are their other activities which they would prefer to be included in the program, if they thought they had the option? What parts of the program are considered least valuable by them?
- o What activities or assistance do the Eastern European partners receive from sources other than the UPP program?

Operational Issues

- o How important are the translation of papers, documents, manuals?
- o Are interpreters essential or important to facilitate the work between US and Eastern European Partners?
- o Have the mechanics for setting up training schedules been working smoothly?
- o How effective are the arrangements for travel and per diem?
- o To what extent are there staffing constraints in the management of the program, either by USEA or any of the US partners?
- o Does USEA have in place an effective system for program implementation, with effective mechanisms and feedback loops to permit effective management in the attainment of program goals.

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Appendix B

Persons contacted

<u>Name</u>	<u>Position and Organization</u>
USEA - UPP Staff	
Eric Haskins	UPP Program Manager
Robert Donovan	Regional Programs Manager
Ruth Cherenson	Executive Development Program
Elizabeth Donicht	Program Coordinator
Stephanie Ross-Preble	Program Coordinator
Albert Doub	Program Coordinator
Shelly Irby	Program Coordinator
Tracy Melchiori	Administrative Coordinator
Dan Forester	Administrative Assistant
Sharon Briscoe	Administrative Assistant
USEA Officers	
Barry Worthington	Executive Director
John Rasmussen	Director of Government Programs
Brian Kearns	Financial Manager
Eileen Murray	Administrative Manager
U.S. Utility Partners	
George Davis	Executive Vice President, Boston Edison
Richard Hahn	Vice-President, Boston Edison
Leslie Myers	Asst to the Exec VP, Boston Edison
Thomas Hurcomb	VP Ext Affrs. Central Vermont Pub. Serv. Co.
Connie Irland	UPP Project Officer, Central Maine Power Co.
Roger Kovack	Comptroller, Commonwealth Edison Co.
Frank Zolli	New England Electric Resources
Russell Resse, III	Houston Industries
William Coe	Project Manager, Southern Electric Int.
William McCollam	President Emeritus, Edison Electric Inst.
Fred Denny	Edison Electric Institute
Edwin Anthony	Edison Electric Institute
Michael Tinkleman	Electric Power Research Institute
Ron Niebo	North American Electric Reliability Council
Other	
Jonathan Wert	President, Management Diagnostics
Russell Brown	Consultant
Abol Ardalan	Consultant
John Hammond	JWH Associates
Robert Ichord	AID

14 February 1994

Questionnaire
for an Internal Assessment of the
USEA/Utility Partnership Program

Purpose of the Internal Program Assessment

USEA is undertaking an internal assessment of the Utility Partnership Program (UPP) to determine strengths of the existing program, and to identify improvements which can be implemented to enhance overall program effectiveness. This work is being led through a contract with SK Associates, an independent contractor which has prepared this questionnaire in cooperation with the USEA staff.

Your response to this questionnaire will provide essential direct inputs into a report addressing the above objectives. The report is scheduled to be submitted to USEA in March.

I. Background

- A. Please identify your Organization (optional)

- B. Please provide your name and current position (optional)

II. Purpose/Objectives of the UPP program

- A. Rank the following as expressions of the value of the UPP program to your organization (taken from the FY 94 Work Plan - Section 2.4.4.2 - Page 6). Use scale of 1 being least applicable and 10 being most applicable, and add any comments you may wish.

1. Strengthens the intercompany network of communications.

(least) 1 2 3 4 5 6 7 8 9 10 (most)

2. Helps executives plan and defend their decision-making activities.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
3. Forces executives to question their management techniques.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
4. Encourages managers to take a new look at problems and courses of action.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
5. Provides a training ground for younger executives by establishing new areas for leadership, planning and responsibility.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
6. Strengthens ethnic ties and cultural understanding.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
7. Enables experiences and different perspectives on energy-related problems to be shared.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
8. Reinforces and expands manager's understanding of the U.S. energy system and the market economy process.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
9. Provides new areas of investment opportunities.
(least) 1 2 3 4 5 6 7 8 9 10 (most)
10. Interactive communications open up new possibilities for decision making and courses of action
(least) 1 2 3 4 5 6 7 8 9 10 (most)

B. Please indicate below other important values, if any, of your organization's participation in the UPP program.

C. What has your organization gained from participation in the program, e.g. information, advice on improved practices, internal staff strengthening, opportunities for follow-up business contacts, public relations benefits?

III. Program

A. Content

1. Please rate the following program areas on how effective they have been. Use a scale of 1 being least effective and 10 being most effective.

a. Management and Technical Advisory Missions

(least) 1 2 3 4 5 6 7 8 9 10 (most)

b. Executive Exchanges

(least) 1 2 3 4 5 6 7 8 9 10 (most)

c. Workshops and Specific Topical Seminars

(least) 1 2 3 4 5 6 7 8 9 10 (most)

d. Information Dissemination Activities, including conferences, and symposiums

(least) 1 2 3 4 5 6 7 8 9 10 (most)

e. Internship Opportunities

(least) 1 2 3 4 5 6 7 8 9 10 (most)

2. Using the same criteria above, provide your judgment as to the potential effectiveness of the new proposed activities below.

a. Regional Programs

Environmental

(least) 1 2 3 4 5 6 7 8 9 10 (most)

Regulatory

(least) 1 2 3 4 5 6 7 8 9 10 (most)

System Reliability

(least) 1 2 3 4 5 6 7 8 9 10 (most)

b. Utility Management Development Programs

(least) 1 2 3 4 5 6 7 8 9 10 (most)

3. Does your organization believe the structure of the UPP program provides an adequate opportunity for in-depth follow-up to achieve the program goals, and do you have the necessary financial and human resources for this effort?

4. Is there appropriate integration between UPP activities carried out under the partnership program, the Utility Consultancy Program recently initiated by AID, and consultant contracts and technical assistance financed by AID and other assistance agencies? Explain.

B. Strategic Planning

1. Do you believe the UPP program is establishing effective priorities and achievable goals?

2. Has your program with your sister utility established priorities to govern selection of activities undertaken to date?

3. Will the Budapest Strategic Planning Workshop and the priority issues agreed upon there govern future program activities, including the types of seminars, exchanges, and selection of participants for travel and conferences?

4. How important do you believe future annual meetings like the Budapest meeting are for the following (use a scale of 1 being least important and 10 being most important):
 - a. Review of program progress

(least) 1 2 3 4 5 6 7 8 9 10 (most)
 - b. Selection or revision of priority issues

(least) 1 2 3 4 5 6 7 8 9 10 (most)
 - c. Program continuity

(least) 1 2 3 4 5 6 7 8 9 10 (most)
 - d. Shaping the selection of future program activities

(least) 1 2 3 4 5 6 7 8 9 10 (most)

5. Would your organization favor an annual meeting in the United States in the future for the UPP program senior participants?

6. Do you have any connection or benefit from comparable activities being implemented by other utilities within the UPP program in other countries? If so, how? Would you like more coordination across countries?

7. Has there been a lack of continuity in personnel working on the UPP program? If so, how has it affected the UPP program?
8. Does your organization have any direct contacts or does it actively pursue coordination with other assistance agencies, either bilateral or multilateral, in the conduct of the UPP program?

C. Monitoring and Evaluation

1. Tracking and Reporting

- a. Does your organization have its own tracking and reporting system to follow program activities?

- b. The work plan lists the following set of reports. Please indicate with an x which reports you prepare on a regular basis.

Trip reports	___
Evaluation reports	___
Activity reports	___
In-country reports	___
Monthly reports	___
Annual report	___

- c. How do you use the information contained in the reports?

2. Evaluation

- a. Describe your organization's system for evaluating your UPP programs, including performance indicators and criteria you use?

- b. Did your develop your own criteria for evaluation, or does your organization use criteria developed by USEA UPP program staff?
- c. Has your organization used quantitative performance indicators for evaluation of your UPP program inputs?
- d. How has your organization used results of your previous program evaluations to affect your organization's planned activities?

IV. Management and Organization

A. Internal Management

1. How effective has the UPP Steering Committee been in helping program implementation?
 (least) 1 2 3 4 5 6 7 8 9 10 (most)
2. What suggestions, if any, do you have for improving the operation of the Committee?
3. To what extent has the USEA Oversight Committee affected your participation in the program? Do you have any suggestions for its inputs?
4. Does USEA provide you with quick and responsive action on requests or program questions?
5. Does USEA have sufficient and qualified staff to manage the UPP program? Does your organization have any suggestions for improvement?

6. Does your organization believe you have clear points of contact with USEA for different program activities that you wish to discuss with them?

B. Operations

1. Logistics

- a. How effective have been the arrangements for ticketing for travel by your organization? Please use a scale of 1 being least effective and 10 being most effective.

(least) 1 2 3 4 5 6 7 8 9 10 (most)

- b. Have per diem arrangements worked smoothly and effectively for your own staff and participants from sister utilities?

(least) 1 2 3 4 5 6 7 8 9 10 (most)

- c. Have reservations been made in a timely fashion?

(delays) 1 2 3 4 5 6 7 8 9 10 (timely)

- d. Have funds for the program been available on time?

(delays) 1 2 3 4 5 6 7 8 9 10 (timely)

- e. Have you received timely reimbursement for expenses?

(delays) 1 2 3 4 5 6 7 8 9 10 (timely)

- f. What are your suggestions for improvement of logistics?

2. Communications

- a. Have communications posed a problem among your organization and USEA or your sister utility, and if so, how?

b. How important are interpreters for your program?

(least) 1 2 3 4 5 6 7 8 9 10 (most)

c. How important are translation of materials to the conduct of the program?

(least) 1 2 3 4 5 6 7 8 9 10 (most)

3. AID Interaction and Procedures

a. Are you aware of and familiar with AID procedures and regulations governing use of funds under the UPP program?

b. Have AID procedures or regulations created any operating problems? If so in what areas e.g. travel, sub-contracting, study-tour, internships, and executive development.

c. Have there been delays in obtaining AID approval for program visits?

d. How important and useful to your program have been the contact and services of the USAID in-country staff?

(least) 1 2 3 4 5 6 7 8 9 10 (most)

e. What are your recommendations for improvements in the AID interactions with your program?

V. Overview

A. What are your suggestions for improvements to the UPP program?

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B. In your opinion, what are the three activities of the UPP that have produced the best results?

1. _____

2. _____

3. _____

C. What are the three activities of the UPP that are the least productive, and should be improved or dropped?

1. _____

2. _____

3. _____

D. List the most important factors which have facilitated your organization's ability to achieve the program goals.

1. _____

2. _____

3. _____

E. List the most important constraints to your organization's ability to achieve the program goals.

1. _____

2. _____

3. _____

Appendix D.

UPP Management Assessment

Reference Documents

- | | | |
|-----|---|-------------------|
| 1. | USEA/AID Cooperative Agreement | Sept 30, 1991 |
| 2. | USEA/AID Cooperative Agreement Amendment | Sept 30, 1993 |
| 3. | USEA Draft Annual Work Plan Oct 93-Sept 94 | |
| 4. | UPP Annual Report to AID - Year One | Dec 1992 |
| 5. | UPP Annual Report to AID - Year Two (draft) | March, 1994 |
| 6. | UPP Strategic Planning Workshop - Materials | Nov 1993 |
| 7. | UPP Steering Committee Background Materials | Jan 7, 1994 |
| 8. | Evaluation of USEA/AID Energy Study Tour Program | Sept, 1992 |
| 9. | UPP Status Report (For February Oversight Committee Meeting) | February 94 |
| 10. | UPP Strategic Plan Draft | February 23, 1994 |
| 11. | UPP Financial Statements (Unaudited) | Dec 31, 1992-93 |
| 12. | Memorandum of Understanding between USEA and Bulgarian National Electric Company | May 8, 1992 |
| 13. | Cooperation Agreement - Central Maine Power and Bulgarian National Electric Company | November 17, 1992 |
| 14. | Memorandum of Understanding between USEA Central Maine Power | November 16, 1992 |

Appendix E.

Agreements Covering the UPP Program

Three different agreements are signed to implement the UPP program: (i) a Memorandum of Understanding between USEA and the participating US Utility; (ii) a Memorandum of Understanding between USEA and the participating Central or Eastern European Utility; and (iii) a Cooperation Agreement between the US and Central or Eastern Utility Partners.

The following is a list of the Agreements:

I. Memorandum of Understandings between USEA and US Utilities

<u>U.S Utility</u>	<u>Date</u>
Boston Edison Company	10/92
Central Maine Power Company	11/92
Central Vermont Public Service Company	
Commonwealth Edison Company	
Houston Lighting & Power	
New England Electric System	3/92
Southern Company	11/92

II. Memorandum of Understanding between USEA and CEE Utilities

<u>European Utility</u>	<u>Date</u>
Bulgarian National Electric Company	5/92
Czech Power Works	
Hungarian Power Companies, Limited	
Latvenergo	
Regia Autonoma De Electricitate (RENEL)	10/92
Polish Power Grid Company	3/92
Slovensky Energeticky Podnik	11/92

III. Cooperation Agreements between US and European Utilities

<u>U.S. Utility</u>	<u>European Utility</u>	<u>Date</u>
Boston Edison	RENEL (Romania)	10/92
Central Maine Power	Bulgarian National Electric	11/92
Central Vermont Public Service Company	Latvenergo (Latvia)	8/93
Commonwealth Edison	Polish Power Grid Company	7/92
Houston Lighting & Power	Czech Power Works	
New England Electric	Hungarian Power Company	4/92
Southern Company	Slovensky Energeticky Podnik (Slovak Republic)	11/92

PARAMETERS OF CURRENT GOVERNMENT FUNDED ACTIVITY

- USEA will not bid on any published request for proposals either solely or as part of any team.
- USEA will not submit a proposal for any effort when other organizations are also asked to submit a proposal.
- USEA will link efforts to World Energy Council activities recognizing that USEA's role as the U.S. Member Committee of the WEC is a benefit in the conduct of the USEA/USG cooperative program.
- USEA members all have equal opportunity to participate in USEA programs.
- Non-members of USEA may be invited to participate where benefits accrue to the cooperative programs.
- USEA must properly balance and represent the interests of its members in dealing with government funding agencies.
- USEA government funded activities should be linked to ongoing activities of USEA and its members whenever useful.
- USEA activities should be oriented toward educational purposes and not be intended to provide "technical" assistance that otherwise should/could be accomplished by traditional contractors or suppliers.
- USEA will strive to avoid a perception of being a "contractor" by engaging in "cooperative agreements and grants", rather than contract. "Cooperative agreements" by definition limit the funding agencies direct involvement and imply cost sharing on the part of the recipient (cash and/or in-kind contributions).